JUSTCO | SGX:JCO

Low office vacancy not translating into profits

SELL

Price:	**$ 0.33**
Target Price:	**$ 0.22**
Upside:	**- 33%**

- **Despite a 65% fall in its share price since listing to S$0.33, JustCo remains fundamentally expensive in our view.** Trading at 675x FY26F and 70x FY27F P/E on our forecasts. FY26F Net Profit is reliant on other income in our forecasts while FY27F could potentially yield 1.5% ROE (implied dividend yield of 0.7% based on management's guidance for 50% payout). JustCo's business model of arbitraging short term sub-lets vs long term lease liabilities requires substantial and sustainable margins in order to maximize shareholder returns but its structurally high opex and implied finance costs rein in potential upside.
- **Recent** JustCo Place **management contract (MC)** is positive for JustCo [Deloitte 100% Service Office take-up, 80% retail and estimated 50% co-living occupancy]. However, to date, JustCo's MC revenues contributed less than US$1mil to FY25 Gross Revenue of US$144mil despite 44% of asset portfolio (22 out of 50 centres under MC).
- JustCo's FY26F S$219mil or S$0.44 cash per share (higher than mkt cap of S$161mil/S$0.33) masked the expected CF spending on its 21 committed centres (57 centres as of 1H26) which RHTC estimated would require average annual capex of US$31m for next 2 years, and also the high opex and implied financing costs depressing its P&L.
- Lastly, the expiration of lock-up period (6 months from listing circa 22-Nov-26) for its major shareholders imply potentially more selling pressure over the medium term. While our expected Intrinsic Value for JustCo returned S$0.13, we believe there is likely a floor value based on 50% cash per share or **S$0.22**. **Initiate coverage with SELL on JustCo with potential -33% downside**.

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Mkt cap: S$161 mil

Price: S$0.33 [as of 17Nov26]

Target Price: S$0.22

Range since listing: S$0.33 – S$0.88

Singapore

Real Estate Management & Development (6020)

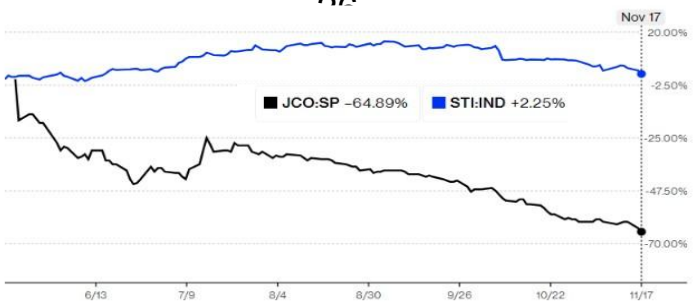
JustCo Forecast US$ mil	*2024*	*2025*	*2026F*	*2027F*
Revenue	128.2	144.2	187.3	228.6
EBIT	3.6	16.7	18.0	23.9
Net Att Profit	-10.1	2.7	0.2	1.8
EPS (US$ cts)	-2.06	0.56	0.04	0.36
EPS (S$ cts)	-2.68	0.72	0.05	0.47
P/E (x)	nm	46	675	70
ROAE (%)	(23.1)	6.8	0.2	1.5
Div Yield (%)	nil	nil	nil	0.7
FCF Yield (%)	0.6	0.7	0.7	0.5
Gearing - D/E (x)	8.1	9.9	4.4	4.9
- D/TA (%)	74.7	73.8	69.0	69.9

Industry Valuation 2026F	P/E(X)	DY(%)	EV/ EBITDA
JustCo	675	0.0	4.1
IWG-LN	13.5	0.5	20.2
ServCorp-AUD	nm	6.0	6.5
Wework-INR	nm	0.0	8.2
Indiqube-INR	nm	0.0	8.3
Peer Average	**13.5**	**1.6**	**10.8**
% JustCo / Avg.	*4903*	*nm*	*-62*
STI	18.1	3.7	6-16.8
% JustCo / STI (low-end)	*3631*	*nm*	*-32*

Source: BBG, RHTC estimates

JUST CO SELL

Price $0.33 17-Nov-26



Ratios & Valuations

Dec-yr end	2024	2025	2026F	2027F
PE(x)	nm	nm	675.4	70.4
EV/EBITDA			4.1	4.1
Intrinsic value			$0.22	
(potential upside)			-33%	
Mkt Cap/Sales (x)			0.7	0.5
Div Yield (%)			-	0.7
FCF Yield (%)			0.7	0.5
P/BVPS			1.0	1.0
ROAE (%)	(23.1)	6.8	0.2	1.5
ROAA (%)	(2.3)	0.6	0.0	0.2

Growth & Margins (%)

%	24/23	25/24	26F/25	27F/26F
Revenue growth	12.7	12.5	29.9	22.0
PBT growth	(20.9)	(120.4)	(89.2)	882.5
EPS growth	(18.9)	(126.9)	(93.2)	859.9
DPS growth	-	-	-	nm
FCF growth	11.6	28.1	(9.5)	(26.5)
Asset growth	(0.6)	26.3	38.9	12.1
%	**2024**	**2025**	**2026F**	**2027F**
EBIT margin	2.8	11.6	9.6	10.4
Net margin	(7.9)	1.9	0.1	0.8
FCF margin	54.6	62.2	43.3	26.1

Source: Company, RHTC estimates

Income Statement ($ '000)

Dec yr end	2024	2025	2026F	2027F
Revenue	**128,220**	**144,193**	**187,340**	**228,566**
Depreciation & Amortization	(71,457)	(73,002)	(97,518)	(117,056)
Operating expenses	(51,081)	(55,756)	(72,460)	(88,284)
Others	(2,111)	1,271	636	642
EBIT	3,571	16,706	17,997	23,868
Interest expense	(12,728)	(14,315)	(18,286)	(21,791)
Others	(403)	(438)	500	
Pre-tax profit	(9,560)	1,953	211	2,077
Tax	(535)	764	(27)	(311)
Tax rate (%)	*(5.6%)*	*(39.1%)*	*13.0%*	*15.0%*
Net profit	**(10,095)**	**2,717**	**184**	**1,765**
Minority Interests	-	-		
Net Attributable Profit	**(10,095)**	**2,717**	**184**	**1,765**
less dividends paid	-	-		(883)
Retained Earnings	**(10,095)**	**2,717**	**184**	**883**

Top shareholders (as of 10-Nov-26)

mil shares	Total Interests	%
GIC	111.25	22.7
Sing Long Inv	91.72	18.7
Frasers Property	86.24	17.6
	Free float estimate	41.9

JustCo Per Share

Per share data S$	2024	2025	2026F	2027F
EPS cts	(2.68)	0.72	0.05	0.47
DPS cts	0	0	0	0.23
payout (%)	-	-	-	50
Wt avg sh o/s mil			489.2	489.2
CFPS cts	11.67	2.98	24.39	(8.54)
FCFPS cts	18.61	23.84	21.56	15.85
Cash PS cts	17.79	20.36	44.75	36.21
BVPS cts	10.53	10.75	31.52	31.76

Balance Sheet ($ '000)

Dec yr end	2024	2025	2026F	2027F
Cash & ST investments	90,936	103,972	168,421	136,272
Accounts receivable	12,253	9,558	10,514	11,565
Capitalized contract costs	1,099	1,191	1,227	1,264
Total current assets	104,288	114,721	180,162	149,101
Net PP&E	39,352	52,422	71,777	86,159
Right of use assets	259,277	334,585	458,121	549,914
Intangible assets	7,907	16,952	11,866	14,240
Trade & Other receivables	14,971	25,097	35,136	49,190
Other LT assets	5,712	1,300		
Total non-current assets	327,219	430,356	576,900	699,503
Total assets	**431,507**	**545,077**	**757,062**	**848,604**
Accounts payable	32,135	52,929	66,161	82,702
Current lease	54,213	65,463	67,338	90,906
Others	12,669	14,873	16,324	18,383
Total current liabilities	**99,017**	**133,265**	**149,823**	**191,990**
LT lease liabilities	268,100	336,688	454,529	499,982
Deferred tax liabilities	1,661	1,925	3,465	3,812
Trade & other payables	7,847	9,241	12,013	15,617
Others	15,285	23,516	18,606	17,695
Total non-current liabilities	**292,893**	**371,370**	**488,613**	**537,106**
Equity	39,631	40,442	118,626	119,508
Total liabilities & equity	**431,541**	**545,077**	**757,062**	**848,604**

Cash Flow ($ '000)

Dec yr end	2024	2025	2026F	2027F
CF operating	(9,560)	1,953	211	2,077
Depreciation	71,457	73,002	87,602	61,322
Net Finance costs	12,728	14,315	18,286	21,791
Net change working capital	1,290	12,360	5,966	6,090
Others	3,162	(404)		
CF from operations	**79,077**	**101,226**	**112,065**	**91,279**
Capital expenditure	(9,049)	(11,523)	(30,923)	(31,640)
Withdrawal of deposits	37,750	(3,367)		
Others	2,330	1,983		
CF from investing	**31,031**	**(12,907)**	**(30,923)**	**(31,640)**
Share issue/(repurchased)	-	-	78,000	
Dividends				(883)
Payment principal lease	(48,788)	(59,633)	(53,870)	(72,725)
Payment interest on lease	(16,061)	(16,648)	(13,468)	(18,181)
CF from financing	**(66,184)**	**(77,119)**	**10,662**	**(91,788)**
Net CF	**43,924**	**11,200**	**91,804**	**(32,149)**
Beginning cash	26,709	66,948	76,617	168,421
FX impact	(3,685)	(1,531)		
End cash	**66,948**	**76,617**	**168,421**	**136,272**

1. EXECUTIVE SUMMARY

We met CEO Kong Wan Sing and management team at their Centrepoint office asset during a post-listing SGX roadshow. We heard first-hand management's strategy and plans to grow JustCo (globally) and its operational challenges in the face of global economic uncertainties.

JustCo's business model is light on its own balance sheet (no bank debt) but heavy on leases: it is a real estate arbitrage between multi-year head leases and short-term member contracts. With JustCo only breaking even, it is not yet earning its cost of capital.

We have seven areas of investment concern, centred on Singapore (JustCo's largest market at ~35% of NLA):

(1) Capex for new centres is spent upfront while revenue takes time to ramp up, which will pressure JustCo's already thin margins (FY25 net margin: 1.9%). Incremental portfolio additions are not only smaller but reduce unit-centre capex efficiency in our view.

(2) Losing a mature asset at Marina Square (~60k sq ft NLA) is negative for the company. Potential redevelopment of Centrepoint is another near term concern. Frasers Property's recent acquisition of strata titles adjoining Centrepoint retail mall has resulted in 100% control of integrated asset allowing Frasers to pursue a potential redevelopment of the Centrepoint site.

The current Real Estate landscape in Singapore has seen record Investment Sales in 2026 (with sustained high bids for Government Land Sales) and this has inadvertently pressured developers to consider re-developing its existing assets (e.g. Frasers, SingLand, Keppel) as an alternative to competing for GLS sites (see Figures 3-8 and 3-9).

(3) Grade B office & retail space supply dwindling – upward pressure on potential leasing costs. This strikes at the heart of JustCo's business model whereby leasing at competitive rates is critical / sets the stage for future margins.

(4) Exploring co-living adds risk to JustCo's portfolio without necessarily improving the company's risk-return profile in our view. Unless JustCo management targets Co-Living portfolio less than 150 sqft per bed (RHTC's estimates to optimize real estate yield), this foray risks destroying shareholder value. The recent MC at JustCo Place

(160 Orchard Road) is positive for JustCo, but taking on co-living as part of that agreement adds execution risk without a clear return, in our view (see Figure 3-10 on the de-rating of listed co-living operators).

(5) Shareholder lock-up expiration estimated 22-Nov-26. While technical in nature, more potential sellers could add to selling pressure in a weak market.

(6) JustCo's incremental financials are a concern: (i) new centres are significantly smaller in average NLA, (ii) implies lower workstation per centre, (iii) capex per new centre is not scaling down with the smaller footprint, (iv) near-term occupancy appears to be trending down, which suggests either a slower ramp-up at new centres or a contracting mature portfolio.

(7) Management's declaration of paying 50% net profit in FY27F bears closer scrutiny. Our bottom-up FY27F net profit forecast of US$1.8m implies a 50% payout of only ~S$1.2m, or a dividend yield of ~0.7% (based on Management's assertion that the "Board plans to distribute a dividend of 50% of NPAT with effect from FY2027").

Risk of M&A? Would JustCo shares be cheap enough for a takeover bid? We view JustCo's real estate arbitrage model as structurally high in fixed costs; the problem is not mismanagement. We see a potential acquirer only if the company is in financial distress (low probability) and has potential to re-negotiate/re-set existing lease and/or revenue contracts. This also supports our base case of 50% Cash per share floor valuation for JustCo.

Initiate coverage with a SELL recommendation on JustCo and Target Price of S$0.22.

- New centres have a substantially smaller footprint: Aggregate NLA/centre has reduced 7.6% YoY while 655.3 workstation/centre as of 1H26 has decreased 13.5% since FY24 (757.6). 1H26 saw lower occupancy at 80% vs FY25 84% (vs 78% FY24), the implied revenue per sqft was relatively flat.

- Management mentioned possibility of 50% dividend payout in FY27F. However, barring a significant upturn in margins, we forecast only marginal profits (US$0.2m in FY26F and US$1.8m in FY27F), so even a 50% payout would yield only ~0.7%.

- We see scope for a longer-term de-rating as JustCo continues to swim upstream in the co-working space amidst tightening (non-Grade-A) supply.

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2. OVERVIEW

JustCo was founded in Singapore in 2011 by Kong Wan Sing (Executive Chairman and CEO) with his brother Kong Wan Long (CCO) and Liu Lu, with about US$5m of family seed money. It is the largest home-grown flexible workspace operator in APAC (ex-China). It runs three brands across price tiers, roughly 30% apart: The Collective (luxury), JustCo (premium) and the boring office (essentials). It sells private offices, coworking memberships (hot desk and dedicated desk), meeting and event space, and virtual offices.

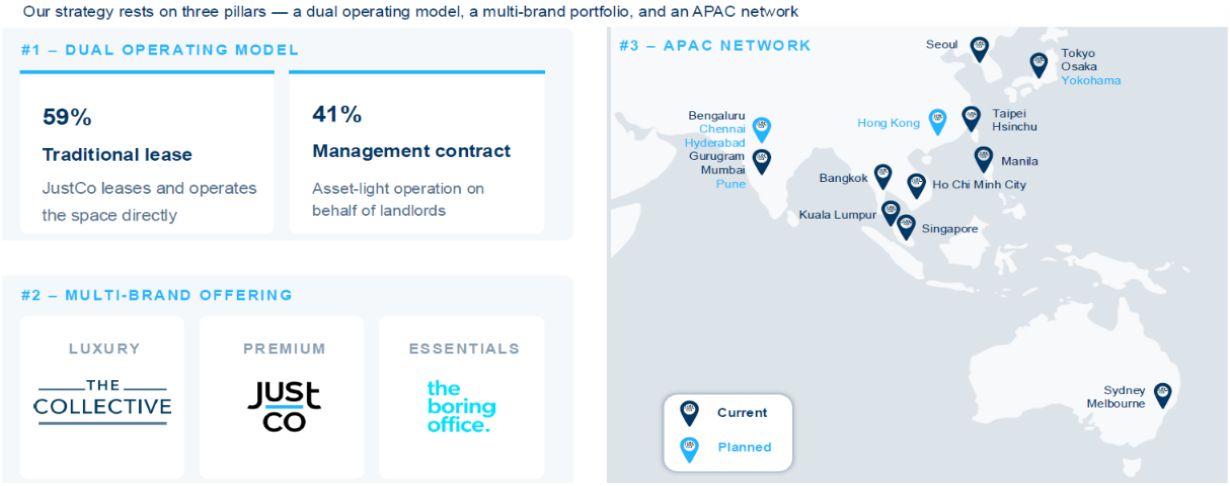
On 8 May 2026, the Company was converted into a public company limited by shares, raising circa S$100mil and changing its name to “JustCo Holdings Limited”. As of the prospectus (23 April 2026), JustCo had 54 centres across 12 cities: Bangkok, Bengaluru, Gurugram, Ho Chi Minh City, Hsinchu, Melbourne, Osaka, Seoul, Singapore, Sydney, Taipei and Tokyo. These offered ~37,500 workstations over ~1.89m sq ft of NLA. Customers include British Telecom, Coupang, Moderna, Palo Alto, Pinterest and Tencent. Large corporates hold 53.3% of occupied workstations and SMEs and startups 46.8%.

Operating model. Under a traditional lease (TL), JustCo signs the head lease, funds the fit-out and keeps 100% of member revenue. Under a MC, the landlord funds all or most of the capex and JustCo earns fees or a profit share. The IPO raised S$100m gross (32.1m offering shares plus 74.3m cornerstone shares at S$0.94), with DBS, UBS and Maybank as bookrunners.

2-1 Geographical split

JustCo reports three segments: Southeast Asia (Singapore, Thailand, Vietnam), North Asia (Japan, Korea, Taiwan) and Australia. India is a new segment from 2026. Country-level revenue is not published, apart from Thailand (~14% of FY2025 revenue) and Taiwan (~10-11% over FY2023-25).

Figure 2-1: JustCo's APAC exposure



Source: Company

Figure 2-2: Portfolio composition

Segment	1H26 revenue (US$m)	% of revenue	1H26 cash EBITDA (US$m)	Occupied workstations, Dec-25
Southeast Asia	42.2	52%	7.1	55.3%
North Asia	27.1	34%	5.4	30.9%
Australia	11.2	14%	Negative (-1.3 to -2.2)	13.7%
India (new)	0.3	<1%	n.d.	-
Group	80.8	100%	10.6	29,422 seats

Source: Company

Market share is concentrated in a few cities: Taipei ~35.3%, Bangkok ~17.7%, Singapore ~15.6% and Melbourne ~13.4%, according to CBRE in the prospectus. Singapore had 24 centres as of September 2026. Australia is the weak spot: cash EBITDA was negative in FY2024 (-US$3.9m), roughly break-even in FY2025, and negative again in 1H2026. Management has said it will not expand there.

2-2 Portfolio, leases and revenue makeup

Figure 2-3: Portfolio metrics

Metric	Dec-23	Dec-24	Dec-25	Jun-26
Operational centres (consolidated)	41	41	50	57
of which traditional lease / MC	25 / 16	n.d.	28 / 22	34 / 23
NLA (m sq ft)	1.64	1.57	1.77	n.d.
TL NLA / MC NLA (m sq ft)	- / 0.655	n.d.	1.02 / 0.745	MC ~41% of NLA
Workstation capacity	32,263	31,062	35,067	37,350
Occupied workstations	26,765	26,181	29,422	n.d.
Occupancy (year average, reported)	78%	78%	84%	80% (mature 85%)
Members	3,176	n.d.	4,035	n.d.
Revenue / occupied seat / month (US$)	468.6	429.8	450.7	468.45

Source: Company

2-2-1 Lease and contract duration

- Head leases (TL): initial terms of typically 3-10 years, some with 3-5 year renewal options. Rent-free fit-out periods run ~3-6 months. Some leases let landlords terminate early for redevelopment, which is the Marina Square risk now materialising.
- MCs: 3-10 years, some with 3-6 year renewal options. The landlord funds capex.
- Member contracts: 6-36 months, with average tenure flat at 15.2 months (FY2023-25). The renewal success rate was 72.0% in FY2025 (64.7% in FY2024). Fixed rents of 3-10 years funded by ~15-month memberships is the core maturity mismatch.
- Unit economics claimed: cash EBITDA breakeven in ~5 months, and weighted payback of 16.4 months (MC 15.8, TL 24.0). However, 34% of mature centres opened since January 2022 had not paid back by December 2025. The renewal rate and payback metrics were not repeated in the 1H2026 filings.

Figure 2-4: Revenue makeup (FY2025)

Stream	% of revenue	Comment
Membership fees	~88%	Private offices, dedicated and hot desks, virtual office
Service income	~11%	Meeting rooms, events, ancillary services
Management fees	~1%	Related-party fees fell from US$2.6m (FY23) to US$0.6m (FY25) as JVs were consolidated

Source: Company

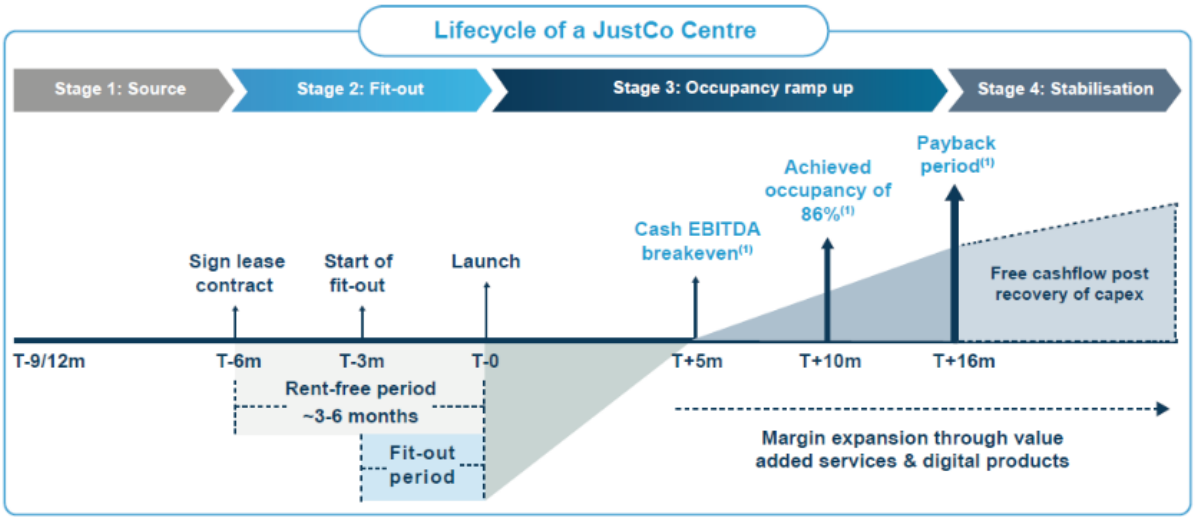
3. INVESTMENT CASE

Despite a 65% fall in its share price since listing, JustCo remains fundamentally expensive in our view. At S$0.33, JustCo trades at 675x FY26F and 70x FY27F P/E, even on our forecast EBIT margins of 9.6% in FY26F and 10.4% in FY27F (FY25: 11.6%). Its business model of arbitraging short term sub-lets vs long term lease liabilities requires substantial and sustainable margins in order to maximize shareholder returns. In this section we examine seven issues, bottom-up to assess pressure on cash flow and top-down to assess the headwinds facing the stock.

3-1 New-centre capex and ramp-up

Capex for new centres is spent upfront while revenue takes time to ramp up, which will pressure JustCo's already thin margins (FY25 net margin: 1.9%). Losing a mature asset at Marina Square (~60k sq ft NLA) is negative for the company.

Figure 3-1: Asset life-cycle



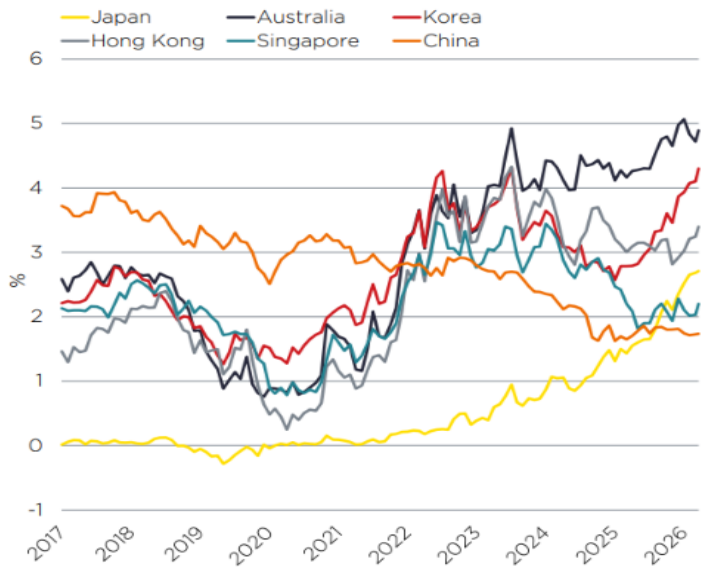
Note: (1) The weighted average breakeven period was computed using Centre-level Cash EBITDA, which excludes corporate expenses. The payback period is calculated taking into account capital costs incurred. Among Centres opened after 1 January 2022 and that are considered Mature Centres as at 31 December 2025, approximately 25% of total NLA are operated under the traditional lease model and approximately 75% of total NLA are operated under the management contract model. Of these Mature Centres, 66% have achieved payback. Of the 34% that have not achieved payback, 20% were opened in 2022 (during Covid-19), 5% were opened in 2023 (beginning of Covid-19 recovery) and 9% were opened on or after August 2024. The weighted average payback period, weighted by NLA, for these Mature Centres is 16.4 months of which the weighted average payback periods for Mature Centres under the traditional lease model and the management contract model are 24.0 months and 15.8 months, respectively.

Source: Company

3-2 Tight office supply: tailwind or headwind?

- Singapore Grade B office & retail space supply dwindling – upward pressure on potential leasing costs.
- JustCo could pivot further to MC, but its fee revenue is small (~US$1m in FY2025 which includes related parties revenue) even though ~40% of the portfolio is under MC.
- Mature assets are being lost to redevelopment (see section 3-2-1).

Figure 3-2: 10-year government bond yields



Long-term rates have reset since the 2022 hiking cycle. Singapore's 10-year yield (~2.2%) now trades well below Australia's (~4.9%), whereas regional 10-year yields previously moved in a narrow band; Japanese and Chinese yields have also inverted. Singapore's low rates support landlords' capital values and redevelopment economics more than they help a lease-based operator such as JustCo.

Source: Savills Research

Figure 3-3: Singapore property market snapshot, Q3 2026

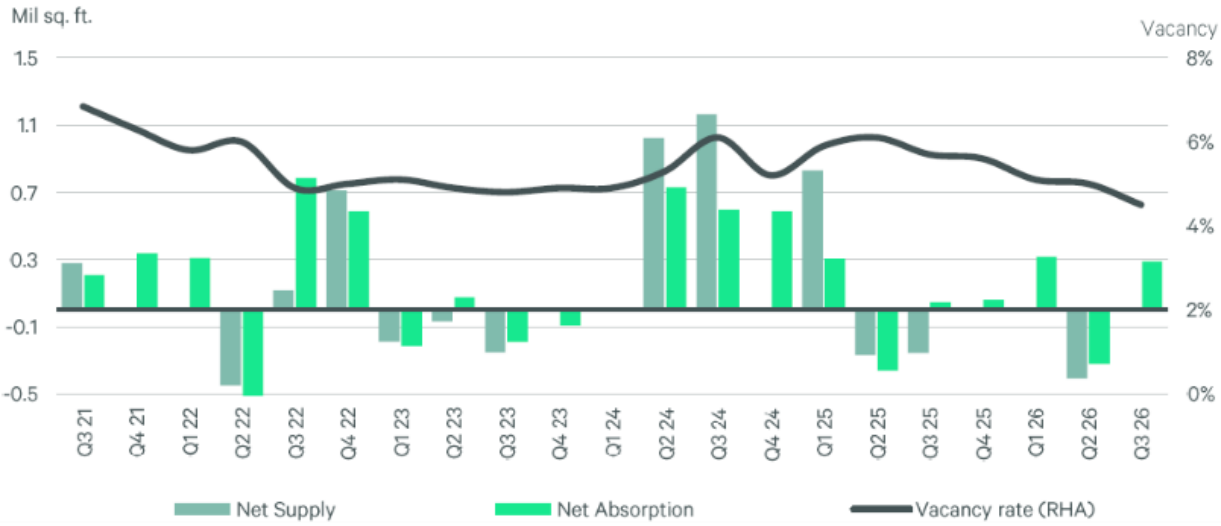
Office	Q3 2026	Q-o-Q	Y-o-Y
Grade A Rent	$12.75	+2.0%	+4.5%
Capital Value	$3,300	+3.1%	+11.9%
Net Yield *	3.7%	⟷	↓
Retail	Q3 2026	Q-o-Q	Y-o-Y
Prime Rent (Orchard)	$39.05	+0.4%	+1.8%
Capital Value	$8,250	+0.6%	+11.5%
Net Yield	4.8%	⟷	↓
Residential	Q3 2026	Q-o-Q	Y-o-Y
Prime Rent	$5.60	-1.6%	-0.2%
Capital Value	$2,126	+0.8%	+3.3%
Net Yield	2.5%	↓	↓

Office: Core CBD (Grade A) rents rose 2.0% q-o-q to S$12.75 psf/mth in Q3 2026, the fastest quarterly gain since Q3 2022, as vacancy fell to 2.6% from 3.3% in Q2 2026.

Retail: Prime retail rents rose across all submarkets in Q3 2026, led by City Hall/Marina Centre (+0.5% q-o-q).

Source: CBRE Research

Figure 3-4: Singapore office net supply, net absorption and vacancy rate



Source: CBRE Research

Singapore office vacancy is at a cyclical low, yet JustCo is barely profitable. If it cannot earn its cost of capital in this market, it is unclear when it will.

Figure 3-5: Singapore office vacancy rates and rents, Q1–Q3 2026

TABLE 2: Office Vacancy Rates

	Q1 26	Q2 26	Q3 26
Core CBD (Grade A)	3.3%	3.3%	2.6%
Islandwide	5.1%	5.0%	4.5%
Core CBD	4.3%	4.5%	3.9%
Fringe CBD	6.2%	7.2%	6.8%
Decentralised	5.6%	3.6%	3.6%

Source: CBRE Research, Q3 2026

TABLE 3: Singapore Office Rents

	Q3 26	Q-o-Q	Y-o-Y
Core CBD (Grade A)	$12.75	2.0%	4.5%
Core CBD	$9.55	1.6%	4.9%
Core CBD (Grade B)	$9.25	1.1%	4.5%
Islandwide (Grade B)	$8.50	1.8%	4.3%

Source: CBRE Research, Q3 2026

CBRE expects limited new supply through 2027 to keep upward pressure on rents. Core CBD Grade A rents are up 3.7% year-to-date, and CBRE forecasts growth of more than 5% for 2026, the strongest year since 2022 (+8.3%). Rising rents help landlords, but they raise JustCo's cost base at every lease renewal and new signing.

Figure 3-6: Singapore prime retail rents, Q3 2026

TABLE 6: Prime Retail Rents

	Q3 26	Q-o-Q	Y-o-Y
Islandwide	$28.25	0.4%	1.6%
Orchard Road	$39.05	0.4%	1.8%
Suburban	$33.05	0.3%	1.2%

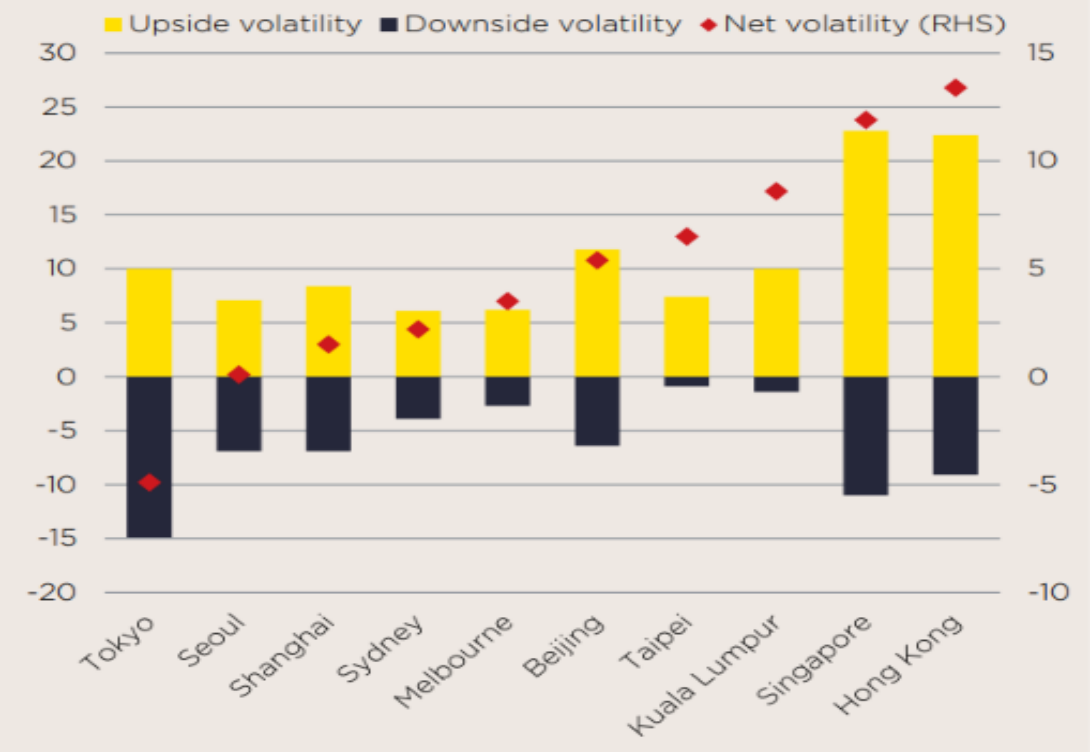
Source: CBRE Research, Q3 2026

Prime rents continued to edge higher

Islandwide prime retail rents rose 0.4% q-o-q in Q3 2026 (+1.2% YTD), led by City Hall/Marina Centre (+0.5%) and supported by tourism and office-worker footfall.

With new supply below historical norms over the next three years, CBRE expects prime retail rents to rise 1–2% in 2026.

Figure 3-7: Historical volatility of office values by city



Source: Savills Research

Since 2003, Hong Kong has been the region's most volatile office market, with much of that volatility on the upside, while Singapore has become markedly more stable as URA policy has damped price swings. Stable, rising capital values strengthen the case for landlords to redevelop older assets, which is the risk JustCo now faces at Marina Square and potentially Centrepoint.

3-2-1 Mature assets at risk

- Marina Square (Singapore, ~60k sq ft, opened 2018): forced exit by 31 March 2027 because the mall is being redeveloped. No compensation or write-off has been disclosed. Expect reinstatement costs and ROU impairment or derecognition in FY2026/27.
- Case for Centrepoint redevelopment: prime Orchard residential yields below 2% and prime retail cap rates below 4% (Paragon Mall 3.9% CICT acquisition July 2026).

Potential redevelopment of Centrepoint amid the rejuvenation of Orchard Road: Frasers Property's recent acquisition of strata units adjoining Centrepoint has resulted in 100% control of integrated asset. We expect Frasers to pursue a potential redevelopment of the Centrepoint site. The current Real Estate landscape in Singapore has seen record Investment Sales in 2026 (with sustained high bids for Government Land Sales) and this has inadvertently pressured developers to consider re-developing its existing assets (e.g. Frasers, SingLand, Keppel) as an alternative to competing for GLS sites (see Figures 3-8 and 3-9).

Figure 3-8: Paragon Mall acquisition by CICT (July 2026)

PARAGON MALL | 290 Orchard Road, Singapore

Price (US$/LCY)	**US$3,008mn/S$3,890mn**
Avg price (US$ per sq m)	US$45,822 per sq m
Avg price per local convention LCY	S$5,500 per sq ft
Cap rate	3.9% (in place)
Sector	Retail (Shopping mall)
Land size (Sq m)	16,644
Building area (Sq m)	65,652
Implied FARx (NLA)	3.9
Freehold/Leasehold	Freehold
Stake sold %	100
Buyer	CapitaLand Integrated Commercial Trust
Buyer type	REIT
Seller	Temasek, Mapletree Investments
Seller type	SWF/Investment manager
Transaction date	July 2026

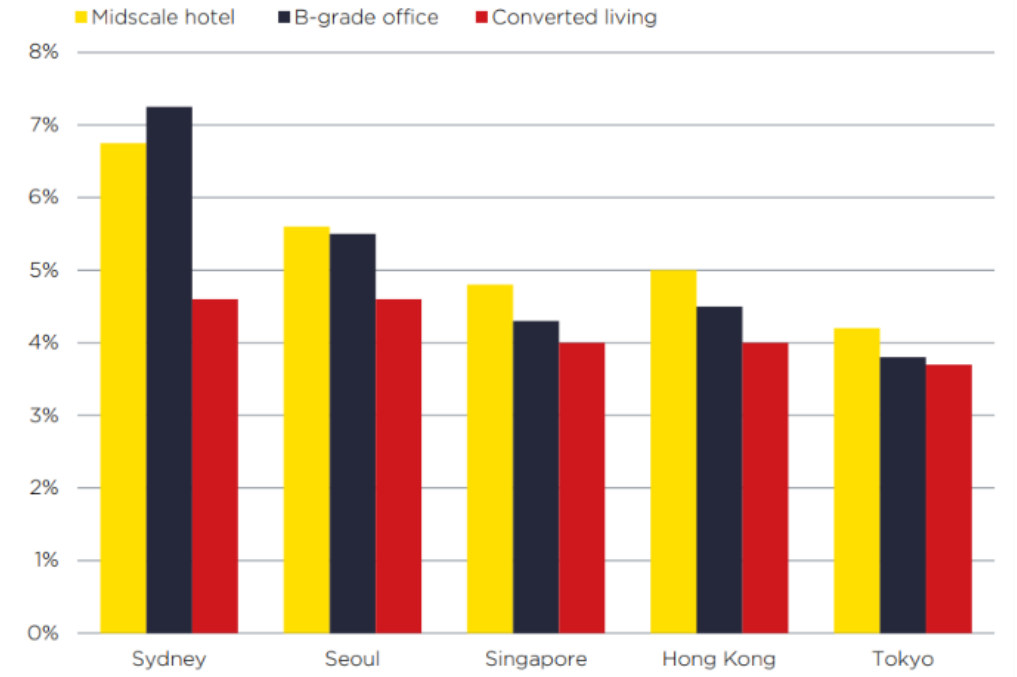


Notes

A rare freehold site in Singapore, Paragon is prime retail and healthcare asset along Orchard Road. CICT is reshaping its portfolio, having acquired the asset while disposing of it's core office asset Asia Square Tower 2 within quick succession. The acquisition will be partly funded from the Asia Square sale, with a further S$600 million private placement taking place, and additional senior debt to fund the balance.

Source: Savills Research

Figure 3-9: Relative cap rates by asset type and city



Source: Savills Research

3-3 New business line in co-living

Exploring co-living adds risk to JustCo's portfolio without necessarily improving the company's risk-return profile in our view. JustCo management stated in its prospectus its proposed new business line of managing living and accommodation spaces with shared amenities. Unless JustCo management targets Co-Living portfolio less than 150sqft per bed, this foray risks destroying shareholder value.

Figure 3-10: Listed co-living operators

	Since IPO	# keys	Mkt Cap/Key	Mkt Cap/Sales
The Assembly Place	-14.3%[a]	3,422	S$22.0k	~1.8x
Coliwoo	-48.3%[b]	3,568	S$41.7k	~2.1x

a:IPO Price reference S$0.23, listing date 23-Jan-2026, b: IPO Price reference S$0.60, 6-Nov-2025. Source: BBG, Company, as of 17-Nov-26

Listed co-living operators have de-rated sharply in 2026: The Assembly Place (TAP, S$0.23) is down 14.3% and Coliwoo is down 48.3% since listing (Figure 3-10).

Strategy pivot: is co-living new? Not new, but it is being scaled. JustCo accepted OG's letter of offer for 160 Orchard Road in January 2026. The preliminary prospectus stated that it had signed MC to operate co-living there for recurring fees, with no capex. The PHS risk factors refer to "Centres or co-living spaces". Since listing, the plan has become concrete: the JustAt brand, 123 serviced apartments (up to 475 guests) on Levels 6-10, and a January 2027 opening. At the 1H results, the CEO said JustCo does not intend to become a dedicated co-living operator and will add it selectively.

JustCo has no co-living operating track record but we point to the severe mkt cap losses suffered by listed Co-Living competitors as a preview to investors' appetite for this sub-segment.

Other strategy points disclosed at IPO and since: a 'core focus' on Japan; entry into Hong Kong, India, Malaysia and the Philippines; a shift in mix towards TL (~59% by 2028 vs 56% in 2025), meaning more lease liability per centre; and a three-brand price ladder.

3-4 Major shareholder lock-up expiration (22-Nov-26)

3-4-1 What GIC and Frasers paid

GIC, Frasers and JustCo announced a joint US$177m investment in May 2018. Frasers' later SGX filings disclosed two transactions with prices (shares converted 1:1 into ordinary shares before the IPO):

Figure 3-11: GIC and Frasers investment in JustCo

Date	Transaction	Price / share	Implied 100% value	IPO price vs this
Oct 2017	Sansiri US$12m (Series B)	n.d.	~US$200m (press)	-
May 2018	GIC + Frasers + JustCo joint US$177m	n.d.	n.d.	-
Dec 2019	Daito Trust US$50m into JustCo + Japan JV	n.d.	n.d.	-
Jan 2020	Frasers secondary: 15.51m shares, US$12.41m	US$0.800	~US$306m*	-8%
Dec 2023	Frasers primary: 7.07m shares, US$8.98m	US$1.269 (S$1.70)	~US$486m*	-42%
Pre-IPO	Average paid-in capital: US$416.0m / 382.85m shares	US$1.087	US$416m	-32%
May 2026	IPO at S$0.94	US$0.734	S$459.9m post-money	-
17 Nov 2026	Market	S$0.33 (US$0.252)	S$161.4m	-65% vs IPO

Source: SGX, Business Times, Company

Frasers' disclosed entry prices were well above the IPO price, and its latest investment (December 2023, US$1.269 per share) is ~81% underwater at S$0.33. GIC's entry prices are not disclosed. That argues against an imminent sell-down. GIC and Frasers are also landlords to some JustCo centres, so their incentives are partly about real-estate outcomes, not only the equity. Related-party lease renewals are an ongoing governance item.

Figure 3-12: Lock-up / moratorium

Holder	Shares (m)	% post-IPO	Value @ S$0.33	Lock-up status
GIC (Reco Jedi, Recosia, GIC Realty)	111.3	22.7%	S$36.7m	Locked; earliest expiry ~22 Nov 2026
Sing Long / Kong family	87.0 (90.5 incl. direct)	17.8% (18.5%)*	S$28.7m	Locked; earliest expiry ~22 Nov 2026
Frasers Property (TCC Assets, FPV I/II)	86.3	17.6%	S$28.5m	Locked; earliest expiry ~22 Nov 2026
9 cornerstone investors	74.3	15.2%	S$24.5m	None: free from listing
IPO placees and public	32.1	6.6%	S$10.6m	Free
Other pre-IPO holders (e.g. Daito)	~98	~20%	~S$32m	Not confirmed

**Updated 18.7% as of 10-Nov-26. Source: Company*

Cornerstones (Farglory International, Jang Dah Fibre, Avanda, JPMorgan AM, Amova AM Asia, Maybank AM, Maybank Securities for HNW clients, Fullerton and Wei Chun Chieh) were never locked up. Together with the offering shares, ~21.7% of the company was sellable at listing. The CEO bought 500,000 shares on 3-4 June 2026 at S$0.655-0.694. He filed further interest changes on 21 and 26 October 2026.

3-5 Financials, funding & valuation

JustCo's incremental financials are a concern: (i) new centres are significantly smaller in average NLA, (ii) which implies lower workstation per centre, (iii) capex per new centre is not scaling down with the smaller footprint, (iv) near-term occupancy appears to be trending down, which suggests either a slower ramp-up at new centres or a contracting mature portfolio.

Figure 3-13: Use of IPO proceeds

Use (prospectus)	S$m	%
Strategic investments and capex for expansion (existing and new markets)	81.7	82%
General corporate purposes and working capital	10.0	10%
Underwriting fees and offering expenses	8.3	8%
Total gross proceeds	100.0	100%

Source: Company

The S$100m IPO is the main reason FY26F cash rises to US$168m (S$0.44 per share). Most of it, however, is committed to expansion (see section 3-6-1).

Figure 3-14: Adjusted borrowings and their annual cost

US$m	FY2024	FY2025	FY26F	FY27F	Comment
Bank borrowings	0.0	0.0	0.0	0.0	Never drawn; US$2m DBS facility undrawn; HSBC guarantees replace rental deposits
Lease liabilities: current	54.2	65.5	67.3	90.9	SFRS(I) 16
Lease liabilities: non-current	268.1	336.5	454.5	500.0	
Adjusted borrowings (bank + leases)	322.3	402.2	556.0	628.0	FY26F ~556 (RHTC est.) as 28 centres are added
Less: cash and bank balances	(90.9)	(104.0)	(168.4)	(136.3)	Jun-26 cash: 169.4
Adjusted net debt	231.4	298.2	387.5	491.7	
Total equity	39.6	40.4	118.6	119.5	
Adjusted borrowings / EBITDA (IFRS 16)	3.1x	3.3x	3.4x	3.5x	

Source: Company, RHTC estimates

Figure 3-15: Annual cost of lease funding

Estimated yearly cost, US$m	FY2025 (actual)	1H26 run-rate	Basis
Bank interest	0.0	0.0	No bank debt
Lease interest paid	16.6	-	Interest paid in financing cash flow (all lease-related)
Lease principal repaid	59.6	-	Financing cash flow
Cash lease service (principal + interest)	76.2	~84.6	1H26: 42.3 x 2
Fit-out subsidy repayment (quasi-debt)	0.8	-	
All-in cash rent incl. variable/short-term leases	92.2	~99	Cash-EBITDA basis; 64% of FY25 revenue
Implied interest rate on leases	~4.6%	-	16.6 / average lease liabilities of 362.3
Rent cover: (cash EBITDA + cash rent) / cash rent	1.15x	~1.21x	13.5 + 92.2 over 92.2; 10.6 + 49.5 over 49.5

Source: Company, RHTC estimates

3-5-1 How does JustCo fund its growth?

Short answer: mostly with landlords' money and IPO cash, not with internally generated cash. JustCo has no bank debt, so its growth is funded through four channels:

- **IPO cash.** Of the S$100m gross proceeds, S$81.7m (82%) is earmarked for expansion capex and strategic investments (Figure 3-13). We assume US$78m is received in FY26F, which pays for the FY26F–FY27F fit-out programme (US$62.6m of cumulative capex).
- **Lease liabilities, i.e. landlord financing.** Each traditional-lease head lease is, in substance, debt. We forecast lease liabilities to rise from US$402m (FY25) to US$522m (FY26F) and US$591m (FY27F), +47% in two years, against equity of ~US$119m. This is the largest single source of growth funding.
- **Landlord contributions.** MCs (landlord funds the capex), rent-free fit-out periods (~3-6 months) and fit-out subsidies (US$0.8m repaid in FY25) reduce JustCo's upfront cash. Their weight should fall, however, as guidance points to the traditional-lease share rising to ~60% by 2028.
- **Operating cash flow.** After lease principal and interest, operating cash flow covers capex in FY26F (+US$13.8m) but not in FY27F (-US$31.3m), when lease payments step up as the 2026 openings move onto full rent (Figure 3-16).

Figure 3-16: Sources and uses of cash, FY26F–FY27F (US$m)

US$m	FY26F	FY27F	FY26-27F
Operating cash flow before lease payments	112.1	91.3	203.3
Capex (fit-out)	(30.9)	(31.6)	(62.6)
Lease principal	(53.9)	(72.7)	(126.6)
Lease interest	(13.5)	(18.2)	(31.6)
Free cash flow after lease payments	**13.8**	**(31.3)**	**(17.4)**
Dividends	–	(0.9)	(0.9)
IPO proceeds	78.0	–	78.0
Net change in cash	**91.8**	**(32.1)**	**59.7**
Closing cash	168.4	136.3	
Memo: lease liabilities (closing)	556.0	628.0	+153.8 vs FY25
Memo: lease-adjusted D/E (x)	4.4	4.9	

Source: Company, RHTC estimates. Operating cash flow is before lease principal and interest (SFRS(I) 16 presentation).

Liquidity is not the near-term problem; returns are. Closing FY27F cash of US$136m covers roughly four years of the FY27F cash burn. The problem is the return on that capital: the IPO cash and ~US$190m of new lease liabilities are being deployed at a forecast ROE of 1.5% (FY27F), far below our 12% cost of equity. Three points also temper the 'cash-rich' argument: (i) 82% of the IPO cash is committed to expansion, so the S$0.44 cash per share is not surplus capital; (ii) the 50% payout policy from FY27 competes with growth funding; and (iii) bank guarantees issued in lieu of rental deposits are a contingent call on liquidity that net cash does not capture.

3-5-2 Relative valuation

Figure 3-17: Peer valuation (2026F)

Industry Valuation	2026F P/E(X)	2026F DY(%)	EV/ EBITDA
JustCo	**675**	**0.0**	**4.1**
IWG (LN)	13.5	0.5	20.2
Servcorp (AU)	nm	6.0	6.5
WeWork India	nm	0.0	8.2
Indiqube (IN)	nm	0.0	8.3
Peer Average	**13.5**	**1.6%**	**10.8**
% JustCo / Avg.	*nm*	*nm*	*-62%*
STI	18.11	3.69	6-16.8
% JustCo / STI	nm	*nm*	-32%[1]

1: vs STI low-end of EV/EBITDA. Source: RHTC estimates, Bloomberg.

On FY26F estimates, JustCo trades at 675x P/E, against 13.5x for IWG (the only peer with meaningful earnings) and 18.1x for the STI. On EV/EBITDA it looks cheaper, at 4.1x versus a peer average of 10.8x (-62%) and 32% below the low end of the STI range. We place little weight on this discount: SFRS(I) 16 EBITDA is struck before rent, JustCo's largest cost, so it says little about equity value when ROE is ~1%.

3-5-3 Intrinsic valuation: ROE-guided implied P/B

Framework. We value JustCo on an ROE-guided implied price-to-book (P/B) basis. In steady state, a company that earns a return on equity (ROE) and grows book value at rate g is worth **P/B = (ROE − g) / (Ke − g)**, where Ke is the cost of equity. The message is simple: a stock deserves to trade above book only if it earns more than its cost of equity. JustCo's forecast ROE (0.2% in FY26F, 1.5% in FY27F) is far below our 12% Ke, so the framework points to a value below book.

Why we do not plug in headline growth. The formula only works when g is below Ke and is consistent with ROE: growth funded by retained earnings cannot exceed ROE × retention (1.5% × 50% ≈ 0.75% in FY27F). Using JustCo's ~20% medium-term revenue growth as g gives a positive but meaningless 2.3x, because the numerator and the denominator are both negative. More importantly, when ROE is below Ke, faster growth destroys value rather than creating it.

Method. We use a two-stage residual income version of the same formula: (i) FY27F ROE from our forecasts (1.5%), rising in a straight line to a terminal ROE by FY30F as the 2026 openings mature, with book value growing through retained earnings (50% payout); and (ii) a terminal P/B of (ROE − g)/(Ke − g) from FY31F, with g of 2% (capped at ROE × retention).

Inputs. Ke of 12%: a CAPM cross-check gives roughly 10.5-11% (10-year SGS yield ~2.2%, equity risk premium ~6%, and an assumed relevered beta of ~1.4 given 4.4x lease-adjusted D/E), to which we add a small-cap and limited-trading-history premium. Assuming

terminal ROE of 6.8%: JustCo's best reported ROE (FY25), which was itself flattered by a US$4.4m remeasurement gain and a small pre-IPO equity base. On the post-IPO equity base, 6.8% requires FY30F net profit of ~US$9m, five times our FY27F forecast, and a net margin of ~2.2% on revenue growing ~20% a year. We regard this as generous.

Result. Intrinsic value is S$0.13 per share, or 0.39x FY26F book value (BVPS S$0.32). However, given the high Cash per share, we believe this would support a higher floor value at S$0.22 (**assumed 50%** cash per share) or potential -33% downside. On a ROE-guided PB, S$0.22 would imply closer to ~10% terminal ROE by FY30F. Figure 3-18 shows the sensitivity to Ke and terminal ROE.

Figure 3-18: ROE-guided implied value per share (S$): terminal ROE vs cost of equity

Terminal ROE (FY30F)	Ke 10%	Ke 11%	Ke 12%	Ke 13%	P/B @ Ke 12%
4.0%	0.07	0.06	0.06	0.05	0.17x
6.0%	0.14	0.12	0.10	0.09	0.33x
6.8%	**0.16**	**0.14**	**0.13**	**0.11**	**0.39x**
8.0%	0.20	0.18	0.16	0.14	0.49x
10.0% (**implied 50% cash/shr base case**)	0.27	**0.24**	**0.21**	0.19	0.65x
12.0%	0.34	0.30	0.26	0.23	0.82x

Source: RHTC estimates. Book value at end-FY26F (US$118.6m; 489.2m shares) S$0.315. FY27F ROE 1.5%, linear ramp to terminal ROE by FY30F, 50% payout, terminal g = min(2%, ROE × 50%).

What the share price implies. At S$0.33 (1.04x FY26F book), the market is pricing a terminal ROE of ~14% by FY30F, above the cost of equity and nine to ten times our FY27F forecast. Our S$0.22 target would have required ~10% terminal ROE FY30F.

Why not 100% cash floor. JustCo's FY26F cash of S$0.44 per share is not surplus: 82% of the IPO proceeds are committed to expansion, free cash flow after lease payments turns negative in FY27F (section 3-6-1), and lease liabilities (S$1.40 per share in FY26F) are more than three times cash. Book value already includes this cash, so a value below cash per share is consistent with ROE below Ke.

Figure 3-19: Cash Multiple as floor valuation

Cash Multiple	Cash / shr cts FY26F	Implied Terminal ROE FY30F
100%	0.448	> 12%
75%	0.34	12%
50%	**0.22**	10%
25%	0.11	< 6%

Source: RHTC estimates

In figure: 3-19, we assumed 50% residual cash per share value in our assessment as a reasonable reference multiple. The Implied Terminal ROE value is taken from figure 3-18.

3-5-4 Valuation risks / Risks to RHT Capital's view

1. Better/worse-than-expected execution in gaining market share would pose an upside/downside risk to our estimates and valuation.
2. Faster/slower-than-expected organic growth would pose an upside/downside risk to our estimates and valuation.
3. A better/worse-than-expected macro/trade environment that may provide upside/ downside risk to growth across geography.
4. A take-private or strategic offer from the controlling shareholders (GIC, Frasers and the founding family together hold ~58%), which would more likely be priced off book value than off earnings, is an upside risk.

Valuation Method and Risk Statement

We value JustCo using ROE-guided implied P/B (two-stage residual income) as well as implied residual value based on cash per share basis. Investing in flexible-workspace operators entails above-average risk given the mismatch between multi-year head leases and short-term memberships, high operating leverage to occupancy, landlord redevelopment risk, competition from landlords' own flex products, and reliance on cash EBITDA, a non-IFRS measure.

3-6 FY27F dividend: ~0.7% yield

Management's declaration of paying 50% net profit in FY27F bears closer scrutiny. Our FY27F net profit forecast of US$1.8m implies a DPS of only ~S$0.24 cents at a 50% payout, or only ~0.7% yield at S$0.33, even if the Board delivers on its policy (Management states that the "Board plans to distribute a dividend of 50% of NPAT with effect from FY2027"). Sustained profitability is key for JustCo: FY25's profit benefited from a one-off US$4.4m remeasurement gain.

3-7 What has happened since listing

Figure 3-20: Key events since listing

Date	Event
22 May 2026	Debut: closed S$0.775 (-17.6%); IPO 3.4x subscribed
2 Jun 2026	DBS ends stabilisation (5.32m shares bought); over-allotment option not exercised
3-4 Jun 2026	CEO buys 0.5m shares at an average of ~S$0.678
Jul 2026	JustCo Place, 160 Orchard Road: Deloitte pre-commits 100% of the ~150k sq ft coworking floors; JustAt co-living brand launched
6 Aug 2026	1H26: revenue +24% to US$80.8m, cash EBITDA +147% to US$10.6m, net loss US$0.8m (+US$0.1m ex-IPO costs); 50% NPAT payout policy from FY27
Aug 2026	Added to MSCI Global Micro Cap (Singapore) index
1 Sep 2026	Raffles City Tower opens (24th SG centre, 16k sq ft); Marina Square tenants told to vacate by 31 Mar 2027
Sep 2026	JustCo Place coworking opens; the boring office at The Octagon; Bangkok Huai Khwang expansion
15 Oct 2026	New all-time low; stock falls ~24% in October to S$0.38

Source: Business Times, SGX, Company

3-7-1 Asset losses

- Marina Square (Singapore, ~60k sq ft, opened 2018): forced exit by 31 March 2027 because of redevelopment. No compensation or write-off has been disclosed. Expect reinstatement costs and ROU impairment or derecognition in FY2026/27.
- Potential redevelopment of Centrepoint (see section 3-2-1).

3-7-2 Acquisitions

- No acquisitions since listing. The two step-acquisitions that shape the numbers both predate the IPO: Thailand (51%, 13 December 2023) and Japan (remaining 51% from Daito Trust, 1 July 2025). The Japan deal flatters FY2025-1H2026 growth comparisons.

3-7-3 Key risks and open items

- Supply overhang after the ~22 November moratorium expiry. The holders are strategic, but ~58% of shares become eligible for sale.
- Maturity mismatch: 3-10 year rents against 15-month memberships. Each occupancy point is worth ~US$1.7m of revenue, so a fall of ~8 points would erase FY2025 cash EBITDA (rent cover ~1.15x).
- Execution: 28 openings in 2026 (+40% capacity) across four new markets. 1H2026 occupancy has already dipped to 80%.
- Earnings quality: 1H2026 growth was mostly the Japan consolidation. Profitability relies on cash EBITDA, a non-IFRS measure. FY2025 NPAT included a one-off gain.
- Governance: Chair and CEO roles combined; two independent directors linked to GIC; dense related-party landlord relationships with GIC and Frasers.

4. MANAGEMENT TEAM AND BOARD

Figure 4-1: Key executives

Name / role	Joined	Experience
Kong Wan Sing, Founder, Executive Chairman and CEO	2011 (founder)	Sing Long Investments (family property developer), project development and sales, from 2001; Mapletree Investments, investment manager, 2007; BSc, NYU Stern (1998); EY Entrepreneur of the Year (Workspace Solutions) 2019
Kong Wan Long, Chief Commercial Officer	2011	Analyst, Buss Global (container investments: underwriting, modelling); BSc Accounting, USC (2006)
Lee Hui Yeow, Chief Financial Officer	2023	25+ years: SVP Finance SEA & Australasia, Shangri-La (2018-23); Finance Head, CapitaLand Mall Asia (2014-18); finance head roles at CapitaLand Malaysia Trust and CapitaLand China Trust; KPMG audit; FCCA
Michelle Lee, Chief Business Officer	2021	25+ years in HR: EVP HR, Shangri-La Asia, and Chief Corporate Development Officer, Allgreen (2017-21); Head of HR, CapitaLand Mall Asia (2004-15); Ministry of Foreign Affairs; NTU
Low Kia Sing, Chief Development Officer	2023 (also 2021-22)	Head of Design, Wing Tai (2022-23); SVP Product Development & Design, CapitaLand; projects include ION Orchard, Jewel Changi, Raffles City Chongqing; NUS architecture

Source: Company

Below the founders the team is strong but new: three of five executives joined in 2021-23. Most share a CapitaLand or Shangri-La background, which fits the 'hospitality-led workspace' positioning. No CTO or COO is named, despite the emphasis on in-house technology (member app and booking platform) and a 28-centre rollout.

Figure 4-2: Board of directors

Director	Board role	Background / affiliation
Kong Wan Sing	Executive Chairman and CEO	Founder; controlling shareholder via Sing Long
Hsieh Fu Hua	Lead Independent Director	Chairman, GXS Bank; GIC Board director; former SGX CEO and Temasek President
Prof Annie Koh	Independent Director	Professor Emeritus of Finance, SMU; Lead Independent Director, Yoma Strategic
Lee Kok Sun	Independent Director	Former CIO, GIC Real Estate (2016 to retirement in Mar 2024)
Chan Kong Leong	Independent Director	Founder, Argus MANAGEMENT; former MD, Shangri-La Hotels (Malaysia)
Loo Choo Leong	Non-Independent Non-Executive Director	Group Finance, Frasers Property (since 2017)

Source: Company

5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Figure 5-1: ESG assessment

Pillar	Disclosed initiatives (company)	RHTC observations
Environmental	Refurbishes existing bare-shell space rather than building new; higher workspace density; recycled and certified materials in fit-outs; chemical-free cleaning; less plastic and water use; LED lighting with timers and motion sensors; water-efficient fittings; waste segregation and recycling with landlords	Qualitative only: no emissions baseline, targets or share of green-certified buildings in the sources reviewed. Most energy use sits with landlords' buildings, so data depends on them. Frequent fit-out churn and end-of-lease reinstatement (US$23.2m provision) create material waste.
Social	'KindnessWorksForMe' community programme: Nam Hong Welfare Service Society (Singapore) festive events for seniors; food and hospital beds (Thailand); food and heating supplies (Korea); festive events (Taiwan)	Philanthropy-led. More material for this business: member data privacy and cybersecurity (in-house app and booking platform), workplace health and safety in fit-outs, and community-manager staff turnover. None of these is reported.
Governance	Board described as independent, with real-estate, finance and strategy expertise; sustainability built into operations; backed by institutional shareholders	The weakest pillar. Chair and CEO roles are combined; two independent directors are GIC-linked; the CEO's brother runs commercial; related-party leases with GIC and Frasers affiliates; three holders control ~58%; cornerstones were not locked up. Mitigants: a Lead Independent Director (Hsieh Fu Hua), 4 of 6 directors independent, a 50% payout policy from FY27.

Source: Company, RHTC estimates

ESG view: early-stage and largely narrative. The environmental story (re-using existing buildings, higher density) is directionally sound for an asset-light operator, but it cannot yet be measured. Governance is the swing factor for institutional investors: tight control by the founder and two strategic holders that are also landlords calls for clean related-party disclosure from the first annual report.

APPENDICES

A-1: SWOT Analysis

Strengths

Factor	Evidence	RHTC assessment
Scale and local leadership	50 centres and ~35k workstations across 10 cities at FY25 (57 at 1H26). Share of flex stock: Taipei 35.3%, Bangkok 17.7%, Singapore 15.6%, Melbourne 13.4%	Real, but the share figures come from the consultant JustCo commissioned for its IPO. Scale helps procurement and fit-out costs more than pricing.
Three-brand price ladder	The Collective (luxury), JustCo (premium), the boring office (essentials); members can upgrade within the network (e.g. Zeekr in Thailand)	Sensible way to segment customers, but no revenue or margin split by brand is disclosed.
Improving retention	Renewal success 64.7% / 68.2% / 72.0% (FY23-25); average tenure 15.2 months; 53.8% of customers with JustCo for 3+ years	53.8% at 3+ years sits oddly with 15.2-month average tenure; the two are probably measured on different bases (customers vs contracts). Neither metric was disclosed at 1H26.
Fast centre ramp-up	Cash EBITDA breakeven in ~5 months and payback in ~16 months on average; cash EBITDA margin 3.0% (FY23) to 9.2% (FY25)	Measured centre by centre, before head-office costs. Estimate about a third of mature centres opened since January 2022 had not paid back by December 2025.
Strategic shareholders, no bank debt	GIC (22.7%) and Frasers (17.6%) are controlling shareholders; no borrowings since inception	GIC- and Frasers-linked entities are also landlords, so there are related-party leases. No guarantees in our view that Centrepoint won't be re-developed because of existing shareholder investment. 'No bank debt' sits alongside US$402m of lease liabilities.

Weaknesses

Factor	Evidence	RHTC assessment
Long fixed rents vs short memberships	Head leases typically 3-10 years; memberships 6-36 months (average 15.2 months)	Prospectus lease indication: 3-10 years
Thin margin of safety	FY25 cash EBITDA US$13.5m on US$92.2m of cash rent; rent cover ~1.15x; FY25 profit helped by a US$4.4m remeasurement gain	A fall of roughly 8 points in occupancy would erase FY25 cash EBITDA, before any rent concessions.
Capital intensity of traditional leases	Traditional-lease (TL) centres need upfront fit-out capex and rental deposits; TL was ~58% of NLA in FY25	Guidance points to the TL share rising toward ~60%, so the capex burden grows with expansion.
Australia	Cash EBITDA -US$3.9m (FY24), about break-even (FY25), negative again in 1H26	No further expansion there; possible impairments or exits.
Customer concentration	~50% of occupied seats are tech (ICT 36.0%) or professional services (14.0%); 46.8% are SMEs and start-ups	Exposed to tech hiring cycles and to start-ups failing or moving out.

Opportunities

Factor	Evidence	RHTC assessment
Structural adoption of flex space	APAC flex stock 85.1m sq ft, penetration 5.4% vs Central London 10.6%; forecast 117.9m sq ft by 2027 (CAGR 13.9%)	The surveys behind this are small (130 and 293 responses) and commissioned for the IPO. Stock grew 50.4% since 2022, so supply is growing as fast as demand.
Japan as the core growth market	Low vacancy, underserved flex market; JustCo has owned 100% of Japan since July 2025	The strongest growth market (most of 1H26 growth), but much of that growth came from buying out the JV.
New markets	Hong Kong, India, Malaysia and the Philippines: ~192k sq ft and ~3,900 workstations	New markets carry the most capital and execution risk.
Shift to MCs	16 management-contract (MC) centres / 655k sq ft (FY23) rising to 22 / 745k sq ft (FY25); 6 more in negotiation	A capital-light model with better returns, but it conflicts with guidance for a higher TL share. Track the MC share of new openings.
Adjacent revenue	Ancillary services (~11% of revenue); co-living run for a fee at JustCo Place, 160 Orchard Road (Jan 2027)	Small. Co-living adds a new operating model with no capex but no track record either.

Threats

Factor	Evidence	RHTC assessment
Competition	IWG (Regus/Spaces), WeWork, regional players, and landlords' own flex products	Landlords' own flex products compete directly with the management-contract pipeline.
Landlord actions	Redevelopment clauses: Marina Square must be vacated by 31 Mar 2027; rents reset on renewal	Marina Square shows lease tenure can be cut short.
Demand cyclicality	Tech layoffs, SME failures, members moving to their own offices as they grow	Occupancy already slipped to 80% in 1H26 (from 84% in FY25) during the ramp-up.
Execution of 28 openings in 2026	+~40% capacity in one year across four new markets	Openings bring cash rent before occupancy, so cash EBITDA could swing negative.
Share overhang	~58% held by three controlling shareholders; moratorium expires ~22 Nov 2026	Free float was already ~42%. Thin trading magnifies sentiment.

Source: Company, RHTC estimates

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A-3: Disclosures/Disclaimers

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